

REX RAILWAYS

14462
RECORDATION NO. Filed 1425

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INTERSTATE COMMERCE COMMISSION

October 26, 1984

Ms. Mildred Lee
INTERSTATE COMMERCE COMMISSION
12th Street & Constitutional Avenue, N.W.
Washington, D.C. 20423
Room #2303

Dear Ms. Lee:

We enclose a Lease Agreement dated June 13, 1984 respecting eight covered hopper cars leased by Rex Railways, Inc., 616 Palisade Avenue, Englewood Cliffs, New Jersey 07632 (lessor) to Lenawee County Railroad Co., Inc., 708 East Michigan Street, Adrian, Michigan 49221 (lessee). There is an original and a copy enclosed along with our check for \$10 to the ICC. These are primary documents.

Please record and send back to us.

Most cordially yours,



Mark A. Salitan
President

MAS/dmh
Enclosures - original & 2 copies

REX RAILWAYS

June 13, 1984

Mr. Charles Lockwood
President
Lenawee County Railroad Co., Inc.
708 East Michigan Street
Adrian, MI 49221

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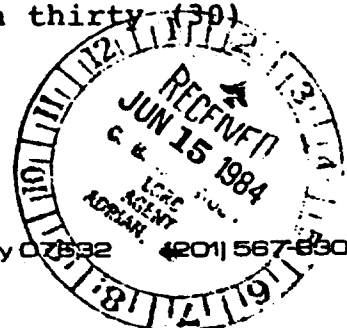
INTERSTATE COMMERCE COMMISSION

Dear Charlie:

Rex Railways is pleased to submit our Lease Agreement for eight (8) Jumbo Covered Hopper Cars, for lease to your company, the Lenawee County Railroad Co., Inc.

Our proposal is as follows:

- 1) Description: 4650 cubic foot, 4 compartment, 100 ton cars, built for umler purposes 1981 - cost \$47,300.00.
- 2) Per Diem and Mileage Rates: 92¢ per hour, .081¢ per mile.
- 3) Delivery to LCRC: For the account of Rex.
- 4) Property Taxes and Insurance: for the account of Rex.
- 5) Lease Rate: 60% of all off line car hire earned for Rex, 40% for LCRC.
- 6) Maintenance: For the account of Rex.
- 7) Lease Term: 2 years from date of delivery of the last car of the 12 cars delivered on our Lease Agreement dated February 21, 1984, with a oneway cancellation clause on the part of Rex should off off line utilization be less than 60% for any consecutive two (2) months, after cars have been on LCRC line for two (2) whole months. Rex must notify LCRC of same in writing thirty (30) days prior to taking back of the cars.
- 8) Car Accounting and Payment: LCRC will do all car accounting and forward Rex rental within thirty (30) days of receipt of same.



To: Charles Lockwood
From: Rex Railways

- 9) Lease Termination: At termination of the Lease Agreement, either through expiration as stated in Paragraph #7 "Lease Term", or by utilization being less than 60% as described in Paragraph #7, the LCRC agrees to the following:

- (a) Store cars free on line for 90 days.
- (b) Move cars free of charge to interchange.
- (c) Remark cars as directed by Rex as follows:

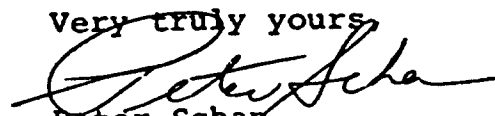
- 1. Free if lease is terminated prior to normal expiration as described in Paragraph #7.
- 2. At Rex's cost if lease expires as stated in Paragraph #7 through entire term as agreed.

- 10) Bad Order Repairs: Any cars which are bad ordered on LCRC line, will be treated as a foreign car under Rule 107.

- 11) Conflict of interest, affirmative action, record keeping provisions as required by current Operating Agreement between Lenawee County Railroad Company, Inc. and Michigan Department of Transportation are incorporated into this Lease Agreement by the addition of Exhibit A and Appendix A, attached hereto and hereby made a part of this Agreement.

If this proposal is agreeable, please sign and notarize three (3) copies on the signature page at the end of contract, and return to my attention. This will be considered as our lease agreement, and will be binding on both parties.

Very truly yours,


Peter Schan
Vice President

PS/dmh

Enclosures

EXHIBIT "A"

ONE: No director, officer or employee of the Lenawee County Railroad Company, Inc. during their tenure or for one (1) year thereafter shall have any interest, direct or indirect, in this lease or the proceeds thereof.

TWO: In connection with this lease the parties hereto (hereinafter in Appendix "A" referred to as the "Contractor") agree to comply with the State of Michigan provisions for "Prohibition of Discrimination in State Contracts, "as set forth in Appendix "A" attached hereto and made a part hereof. The parties hereto further covenant that they will comply with the Civil Rights Act of 1964, being P. L. 88-352, 78 Stat. 241 as amended, being Title 42 U.S.C. Sections 1971, 1975a-1975d and 2000a-2000h-6.

THREE: Lenawee County Railroad Company, Inc. and the Lessor shall make available to the auditors of the State of Michigan or of any governmental agency having jurisdiction over Lenawee County Railroad Company, Inc. the records of revenues and costs related to this lease. All such records for each year will be kept for a period of at least four (4) years after the end of that particular year, and any such records that are the subject of an auditing dispute shall be kept for the term of that dispute. The parties hereto shall allow inspection of the above described records by the authorized agents of the State of Michigan during regular business hours upon reasonable notice.

APPENDIX A
PROHIBITION OF DISCRIMINATION IN STATE CONTRACTS

May, 1961

In connection with the performance of work under this contract the contractor agrees as follows:

1. In accordance with Act No. 453, Public Acts of 1976, the contractor hereby agrees not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, or marital status. Further, in accordance with Act No. 320, Public Acts of 1976 as amended by Act No. 478, Public Acts of 1980 the contractor hereby agrees not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of a handicap that is unrelated to the individual's ability to perform the duties of a particular job or position. A breach of the above covenants shall be regarded as a material breach of this contract.
2. The contractor hereby agrees that any and all subcontracts to this contract, whereby a portion of the work set forth in this contract is to be performed, shall contain a covenant the same as hereinbefore set forth in Section 1 of this Appendix.
3. The contractor will take affirmative action to insure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, national origin, age, sex, height, weight, marital status or a handicap that is unrelated to the individual's ability to perform the duties of a particular job or position. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
4. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, age, sex, height, weight, marital status or handicap that is unrelated to the individual's ability to perform the duties of a particular job or position.
5. The contractor or his collective bargaining representative will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice advising the said labor union or workers' representative of the contractor's commitments under this appendix.
6. The contractor will comply with all relevant published rules, regulations, directives, and orders of the Michigan Civil Rights Commission which may be in effect prior to the taking of bids for any individual state project.
7. The contractor will furnish and file compliance reports within such time and upon such forms as provided by the Michigan Civil Rights Commission, said forms may also elicit information as to the practices, policies, program, and employment statistics of each subcontractor as well as the contractor himself, and said contractor will permit access to his books, records, and accounts by the Michigan Civil Rights Commission, and/or its agent, for purposes of investigation to ascertain compliance with this contract and relevant with rules, regulations, and orders of the Michigan Civil Rights Commission.
8. In the event that the Civil Rights Commission^a finds, after a hearing held pursuant to its rules, that a contractor has not complied with the contractual obligations under this agreement, the Civil Rights Commission may, as part of its order based upon such findings, certify said findings to the Administrative Board of the State of Michigan, which Administrative Board may order the cancellation of the contract found to have been violated, and/or declare the contractor ineligible for future contracts with the state and its political and civil subdivisions, departments, and officers, and including the governing boards of institutions of higher education, until the contractor complies with said order of the Civil Rights Commission. Notice of said declaration of future ineligibility may be given to any or all of the persons with whom the contractor is declared ineligible to contract as a contracting party in future contracts. In any case before the Civil Rights Commission in which cancellation of an existing contract is a possibility, the contracting agency shall be notified of such possible remedy and shall be given the option by the Civil Rights Commission to participate in such proceedings.
9. The contractor will include, or incorporate by reference, the provisions of the foregoing paragraphs (1) through (8) in every subcontract or purchase order unless excepted by the rules, regulations or orders of the Michigan Civil Rights Commission, and will provide in every subcontract or purchase order that said provisions will be binding upon each subcontractor or seller.

^a The Civil Rights Commission referred to is the Michigan Civil Rights Commission.

Notary:

Rubin Schertz

Notary:

RUBIN SCHERTZ
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires May 16, 1987

Sworn and subscribed to before me
this 5th day of October, 1984.

Joyce J. Bakewell

JOYCE J. BAKEWELL
Notary Public, Lenawee County, MI
My Commission Expires April 17, 1985

Accepted and Approved Subject to
State of Michigan Approval

Rex Railways, Inc.
Rex Railways, Inc.

Accepted and Approved Subject to
State of Michigan Approval

Lenawee County Railroad Co., Inc.
Lenawee County Railroad Co., Inc.

Rec'd 6.11
10-5-84

<p>APPROVED Director, Michigan Department of Transportation Date <u>9-25-84</u></p>
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